

Tax Type: **PROPERTY TAX**
Issue: **Charitable Ownership/Use**

**PROVISO FAMILY
SERVICES,
APPLICANT**

Real Estate Tax Exemptions for 1993, 1994 & 1995 Assessment Years

P.I.N.S: 15-11-107-004
15-11-107-005
15-13-108-020
15-11-148-004
15-10-101-031

**Alan I. Marcus,
Administrative Law Judge**

APPEARANCES: Messrs. Richard A. Walsh and Thomas G. Moffit of McCracken, Walsh, deLavan & Hetler on behalf of Proviso Family Services.

SYNOPSIS: These proceedings raise the general issues of whether the above-captioned Parcel Index Numbers (hereinafter collectively referred to as the "subject parcels" or the "subject properties") satisfy the ownership and use requirements set forth in the real estate exemption statutes¹ that pertain to "institutions of public charity." The specific issues are as follows: first, whether real estate identified by Cook County Parcel Index Number 15-10-101-031 (hereinafter "Parcel 101-031") qualifies for exemption from 1993 real estate taxes under 35 **ILCS** 205/19.7; second, whether parcel 101-031 qualifies for exemption from 1994 real estate taxes under 35 **ILCS** 200/15-65; third, whether real estate identified by Cook County Parcel Index Number 15-13-108-020 (hereinafter "parcel 108-020") qualifies for exemption from 1993 real estate taxes under 35 **ILCS** 205/19.7; fourth, whether parcel 108-020 qualifies for exemption from 1994 real estate taxes under 35 **ILCS** 200/15-65; fifth, whether real estate identified by Cook County Parcel Index Numbers 15-11-107-004 and 15-11-107-005 (hereinafter "parcels 107-004 and 107-005") qualify for exemption from 1993 real estate taxes under 35 **ILCS** 205/19.7; sixth, whether

1. In People ex. rel. Bracher v. Salvation Army, 305 Ill. 545 (1922) (hereinafter "Bracher"), the Illinois Supreme Court held that the issue of property tax exemption necessarily depends on the statutory provisions in force during the time for which the exemption is claimed. With one exception, this applicant is seeking exemption from 1993 and 1994 real estate taxes. Therefore, the three 1993 claims shall be governed by the Revenue Act of 1939, 35 **ILCS** 205/1 *et seq.* However, the three 1994 claims, together with the 1995 claim, shall be governed by the Property Tax Code, 35 **ILCS** 200/1 *et seq.*

A literal reading of Bracher seems to require that the 1993 and 1994 cases be decided under different statutes. While this is technically correct, all of these cases, together with the 1995 case, must be decided under the exemption provisions that pertain to "institutions of public charity." Those provisions (found in 35 **ILCS** 205/19.7 and 35 **ILCS** 200/15-65) are codified in different forms and contain some variations in verbiage. Nevertheless, their substance remains identical, at least for present purposes of assessing whether any or all of the subject properties satisfy the omnibus ownership and use requirements contained in both statutes. (See *infra* at p. 28). Therefore, while the two provisions shall be cited separately where technically necessary, the conclusions made under one version of the statute shall not be different in substance from those made under the other.

parcels 107-004 and 107-005 qualify for exemption from 1994 real estate taxes under 35 **ILCS** 200/15-65; and seventh, whether real estate identified by Cook County Parcel Index Number 15-11-148-004 qualifies for exemption from 1995 real estate taxes under 35 **ILCS** 200/15-65.

The controversies arise as follows:

Proviso Family Services (hereinafter the "applicant") filed seven separate Real Estate Exemption Complaints² with the Cook County Board of (Tax) Appeals (hereinafter the "Board") (Dept. Group. Ex. No. 1). The Board reviewed each of the complaints and subsequently recommended to the Illinois Department of Revenue (hereinafter the "Department") that some, but not all, of the requested exemptions be granted. *Id.*

The Department docketed the complaints as follows:

Docket Number	Corresponding P.I.N.(S):
93-16-782	101-031
94-16-1281	" " ('94 exemption claim on same property)
93-16-783	108-020
94-16-1289	" " ('94 exemption claim on same property)

Docket Number (CONT'D.)	Corresponding P.I.N.(S):
93-16-765	107-004 & 107-005

2. For exact filing dates and other details about the complaints, *See*, Dept. Group Ex. No. 1.

94-16-1288	" " (94 exemption claims on same properties)
95-16-245	148-008

Dept. Group Ex. No. 1.

The Department later partially rejected the above recommendations by issuing four certificates (affecting Docket Nos. 94-16-1281, 94-16-1289, 94-16-1288 and 95-16-245) finding that properties at issue therein were not in exempt ownership and not in exempt use. (Dept. Group Ex. No. 2). The remaining certificates (pertaining to Docket Nos. 93-16-782, 93-16-783 and 93-16-765) denied the requested exemptions on grounds that the properties were not in exempt use. Applicant subsequently filed timely requests for hearing as to each of these denials (Dept. Group Ex. No. 3) and thereafter presented evidence at a formal administrative hearing. Following submission of all evidence and a careful review of the record, I recommend that all of the Department's exemption denials be affirmed.

FINDINGS OF FACT:³

A. Preliminary Considerations & Applicant's Overall Organizational Structure

1. The Department's jurisdiction over these matters and its respective positions therein are established by the admission into evidence of Dept. Group Ex. Nos. 1 and 2.
2. Applicant was originally incorporated under the General Not-For-Profit Corporation Act of Illinois on November 9, 1971. Its original corporate name, Proviso Township Mental Health Center, was changed to Proviso Family Services by an Amendment to its Articles of Incorporation dated April 30, 1982. Applicant Ex. Nos. 1 & 3.
3. Applicant's original organizational purpose was to operate and maintain a mental health center that provides mental health services to residents of Proviso Township, provided that such services do not require treatment by a medical doctor. Applicant subsequently changed this purpose to "assist[ing] our community members live emotionally, socially and physically healthy lives" via by-laws dated February 24, 1992. Applicant Ex. Nos. 1 & 4.
4. Applicant's by-laws further provide, *inter alia*, that: (1) its daily business affairs shall be managed by a Board of Directors, none of whom shall be compensated for serving as Directors; (2) the corporate officers shall be president, one or more

3. I have divided the Findings of Fact into the following categories in order to promote greater clarity and reduce any confusion that results from the voluminous evidence submitted herein: Preliminary Considerations & Applicant's Overall Organizational Structure (Findings of Fact 1-6); Applicant's Overall Operations (Findings of Fact 7-19); Applicant's Overall Fiscal Structure (Findings of Fact 20-28); Location of the Subject Parcels & Ownership Issues (Findings of Fact 29- 30); The CLC Home (Findings of Fact 31 through 43) and The CILA Homes (Findings of Fact 43-55).

vice presidents, treasurer, secretary and such other officers as may be elected pursuant to the relevant provisions of applicant's by-laws; and (3) the corporation shall have no members. Applicant Ex. No. 4.

5. Applicant obtained an exemption from federal income tax on July 18, 1972. The Internal Revenue Service granted this exemption pursuant to Section 501(c)(3) of the Internal Revenue Code and based same on its conclusion that applicant qualified as an organization described in Section 170(b)(1)(A)(vi) thereof. Applicant Ex. No. 9; Tr. pp. 22-23.
6. The Department issued applicant, then known as Proviso Township Mental Health Center of Melrose Park, IL, an exemption from Illinois Use and other related taxes on November 19, 1993. The Department reissued this exemption under applicant's current name, Proviso Family Services of Melrose Park, IL, on January 24, 1994. Tr. p. 23; Applicant Ex. Nos. 10A & 10B.

B. Applicant's Overall Operations

7. Applicant's overall goal is to furnish a variety of mental health services on a cost-based standard. These services include psychological testing, individual and group therapy sessions, family/couples therapy, individual, group, family and couples counseling, medication review groups, individual social rehabilitation groups, crisis intervention, an intensive day treatment program that focuses on intensive stabilization, another day treatment program focuses on more extensive treatment and rehabilitation issues, a geriatric day treatment program known as Partial Plus, various residential services, including a transitional living program

for the chronically mentally ill known as Harbor House, and evaluation, assessment, remedial education and other services for DUI offenders. Applicant Ex. Nos. 6, 7 & 33.⁴

8. Applicant assesses fees for all of the services it provides.⁵ While these fees are cost-based, they are also founded on the client's income, financial situation and other considerations affecting the client's ability to pay. Applicant Ex. Nos. 6 & 7.
9. Clients with annual gross incomes of \$34,000.00 and one dependent are, under applicant's fee policy, expected to assume full responsibility for payment of any fees in full. Applicant does not vary this expectation as the client's income and number of dependents increase. It does however, set fees for certain services on a sliding scale, provided that the client resides in Proviso Township and can not afford to assume full responsibility for any fees assessed.⁶ *Id.*
10. Persons who do not reside in Proviso Township are ineligible for the sliding scale. Those receiving treatments or services in applicant's geriatric day, intensive chemical dependency or DUI programs are likewise ineligible for sliding scale fees, even though they reside in Proviso Township. *Id.*

4 . For detailed descriptions of these and other services provided by applicant, *See*, Applicant Ex. Nos. 6, 7 & 33.

5. For details about the exact fees charged for particular services, *See*, Applicant Ex. No. 6 & 7.

6. For exact figures concerning the sliding scale, as well as other information about the extent to which increases in a client's income and number of dependents affect applicant's expectation that the client will pay all fees in full, *See, Id.*

11. Those who reside in Proviso Township while receiving services but move away during the course of treatment lose their eligibility to receive services on a sliding scale basis. Such persons are, however, afforded the option of continuing services at the full fee or terminating services and continuing elsewhere. *Id.*
12. Applicant provides clients choosing the latter with assistance in finding resources near their new residence. It also affords these clients three sessions at the sliding scale rate in order to allow for clinical termination. *Id.*
13. Any extensions or exceptions to the three session rule must be approved by the appropriate clinical manager with notice provided to the financial services staff. *Id.*
14. Applicant explains this and other aspects of its fee policy to all clients who receive services via a financial counseling session, during which any data bearing on the client's ability to pay is reviewed and appropriate fees fixed. *Id.*
15. All fees are due at the time of service. While clients may request payment plans or fee reductions based on personal or economic emergencies that occur during the course of treatment, such plans or reductions are subject to an approval process and periodic review.⁷ *Id.*
16. In cases where a client's service provider learns of a substantial change in the client's financial situation which would make payment of a higher fee more appropriate, it is the responsibility of the service provider to notify applicant's

7. The approval process starts with the client filling out an formal application, continues with reviews by the appropriate program director and associate director and (in cases of disapproval by the associate director) and concludes with review by the senior management team, whose decision is final. For a detailed description of these procedures and other information pertaining to fee reductions and the review process, *See*, Applicant Ex. Nos. 6 & 7.

financial services department of the need for a new financial assessment and to assist the client in making an appointment for same. *Id.*

17. Applicant attempts not to refuse needed services to those who can not afford to pay. However, its fee policy states that it may do so under the following circumstances: (1) where a client refuses to pay even after applicant has determined that he/she is able to do so, but only after repeated efforts to secure payment are made and termination is approved by the appropriate clinical manager; and (2), where a client builds up a large debt balance and makes no effort to reduce same, but only after the client is referred by applicant's financial services department to the appropriate clinical manager, who will then review the entire situation and make an appropriate disposition. *Id.*
18. Applicant will allow appropriate conclusion time (which, under its fee policy, is recommended to consist of no more than 3 sessions) if a client's services are terminated for large debt balances. *Id.*
19. Applicant does not refuse services under these or any other scenarios to persons in crisis or those who pose a danger to themselves or others. *Id.*

C. Applicant's Overall Fiscal Structure

20. Applicant has no capital stock or shareholders. It does not pay dividends but operates on a fiscal year that begins July 1 and ends June 30 of each year. Applicant Ex. No. 4; Tr. pp. 14, 53.
21. A financial statement pertaining to the fiscal year ended June 30, 1993 reveals the following about applicant's sources of revenue during that fiscal year:

SOURCE	AMOUNT	% of TOTAL⁸
Public Support and Revenue		
Contributions	\$ 44,606.00	1.0%
United Way	\$ 105,841.00	2.3%
Total Public Support	\$ 150,447.00	3.3%
Fees & Grants from Governmental Agencies	\$3,307,480.00	74%
Other Revenue		
Client Fees	\$ 410,338.00	9.1%
Medicaid	\$ 155,926.00	3.4%
Insurance	\$ 77,691.00	1.7%
Medicare	\$ 119,253.00	2.7%
Service Contracts	\$ 148,184.00	3.0%
Rentals	\$ 45,761.00	1%
Interest	\$ 22,073.00	<1%
Miscellaneous	\$ 45,561.00	1%
Total Other Revenue	\$ 1,024,787.00	23%
TOTAL PUBLIC SUPPORT & REVENUE	\$4,482,714.00	

Applicant Ex. No. 34

22. The same financial statement reveals the following information about the expenses applicant incurred during the fiscal year ended June 30, 1993:

SOURCE	AMOUNT	% of TOTAL
Program Services		
Sustaining Care	\$384,683.00	9.0%
Alcoholism Outpatient	\$194,083.00	4.5%
Alcoholism Prevention	\$ 57,029.00	1.3%
Alcoholism Women's Services	\$127,230.00	3.0%
Emergency	\$434,929.00	10%
SOURCE (CONT'D.)	AMOUNT (CONT'D.)	% of TOTAL (CONT'D.)
Intensive Case Management/LTR	\$126,321.00	3.0%
Triage/Respite	\$350,062.00	8.2%
Adastra Day Treatment	\$209,084.00	5.0%
Children & Adolescent	\$256,177.00	6.0%

8. All percentages shown herein are approximations derived by dividing the category of income or expense (e.g. Contributions) by the appropriate total. Thus, for example, $\$44,606.00/\$4,482,714.00 = .0099$ (rounded to 4 places past the decimal) or approximately 1%.

Community Living Center ⁹ (hereinafter "CLC")	\$282,397.00	6.6%
Harbor House	\$226,010.00	5.3%
Counseling Services to the Elderly	\$ 38,163.00	<1%
Counseling Services to Latino-Americans	\$ 36,905.00	<1%
Family Services	\$167,458.00	3.9%
Services for Seniors	\$ 57,573.00	1.3%
Community Integrated Living Arrangement Homes ¹⁰ (hereinafter "CILA Homes")	\$610,189.00	14.3%
Riveredge Inpatient Program	\$ 51,804.00	1.2%
McNeal Inpatient Program	\$ 25,639.00	<1%
Child Advocacy Center	\$160,446.00	3.8%
Latino Outpatient	\$ 88,285.00	2.0%
Children & Adolescent Intervention & Case Management	\$ 179,961.00	4.2%
Pathway	\$ 72,339.00	1.7%
Personal Best	\$ 127,544.00	3.0%
TOTAL EXPENSES	\$4,264,311.00	

Id.

9 . For details concerning the CLC , *See*, Findings of Fact 31-43, *infra* at pp. 18- 22.

10. For details concerning the CILA Homes, *See*, Findings of Fact 43-55, *infra* at pp. 22-26.

23. A financial statement pertaining to the fiscal year ended June 30, 1994 reveals the following about applicant's sources of revenue during that fiscal year:

SOURCE	AMOUNT	% of TOTAL
Public Support and Revenue		
Contributions	\$ 51,165.00	1.0%
United Way	\$ 105,411.00	2.0%
Total Public Support	\$ 156,576.00	3.0%
Fees & Grants from Governmental Agencies	\$3,766,983.00	73%
Other Revenue		
Client Fees	\$ 496,878.00	10 %
Medicaid	\$ 238,171.00	4.6%
Insurance	\$ 84,455.00	1.6%
Medicare	\$ 126,276.00	2.4%
Service Contracts	\$ 219,156.00	4.2%
Rentals	\$ 39,682.00	<1%
Interest	\$ 25,750.00	<1%
Miscellaneous	\$ 5,362.00	<1%
Total Other Revenue	\$1,235,730.00	
TOTAL PUBLIC SUP- PORT & REVENUE	\$ 5,159,289.00	

Applicant Ex. No. 35

24. The same financial statement reveals the following information about the expense applicant incurred during the fiscal year ended June 30, 1994:

SOURCE	AMOUNT	% of TOTAL
Program Services		
Consortium	\$ 39,039.00	<1%
Sustaining Care	\$391,628.00	7.8%
Alcoholism Outpatient	\$291,763.00	5.8%
Alcoholism Prevention	\$ 47,952.00	<1%
Alcoholism Women's Services	\$110,880.00	2.2%
Emergency	\$416,687.00	8.2%
Intensive Case Management/LTR	\$140,707.00	2.8%
Triage/Respite	\$388,682.00	7.7%
Adastra Day Treatment	\$232,634.00	4.6%
SOURCE (CONT'D.)	AMOUNT (CONT'D.)	% of TOTAL (CONT'D.)
Children & Adolescent	\$231,671.00	4.6%

Emergency Psychiatric Services	\$ 38,136.00	<1%
CLC	\$244,037.00	4.8%
Harbor House	\$261,197.00	5.2%
Counseling Services to the Elderly	\$ 34,121.00	<1%
Counseling Services to Latino-Americans	\$ 36,073.00	<1%
Family Services	\$171,861.00	3.4%
Services for Seniors	\$ 54,403.00	1%
CILA	\$659,942.00	13.1%
Inpatient Services	\$ 29,305.00	<1%
Child Advocacy Center	\$170,467.00	3.4%
Latino Outpatient	\$ 86,380.00	1.7%
Children & Adolescent Intervention & Case Management	\$198,648.00	3.9%
Pathway	\$114,384.00	2.3%
Personal Best	\$644,904.00	13.8%
TOTAL EXPENSES	\$5,035,501.00	

Id.

25. A financial statement pertaining to the fiscal year ended June 30, 1995 reveals the following about applicant's sources of revenue for that fiscal year:

SOURCE	AMOUNT	% of TOTAL
Public Support and Revenue		
Contributions	\$ 11,553.00	<1%
United Way	\$ 105,134.00	1.8%
Total Public Support	\$ 116,687.00	2%
Fees & Grants from Governmental Agencies	\$3,848,884.00	66%
Other Revenues		
Client Fees	\$ 532,792.00	9%
Medicaid	\$ 472,097.00	8%
Insurance	\$ 58,084.00	1%
Medicare	\$ 220,693.00	4%
Service Contracts	\$ 410,190.00	7%
Rentals	\$ 33,524.00	<1%
Interest	\$ 33,667.00	<1%
SOURCE (CONT'D.)	AMOUNT (CONT'D.)	% of TOTAL (CONT'D.)
Miscellaneous	\$ 65,605.00	1%
Total Other Revenue	\$1,826,652.00	31%
TOTAL PUBLIC SUP-		

PORT & REVENUE	\$5,792,223.00	
---------------------------	-----------------------	--

Applicant Ex. No. 36

26. The same financial statement reveals the following information about the expenses applicant incurred during the fiscal year ended June 30, 1995:

SOURCE	AMOUNT	% of TOTAL
Program Services		
Sustaining Care	\$ 398,245.00	7.1%
Alcoholism Outpatient	\$ 332,129.00	5.9%
Alcoholism Prevention	\$ 54,527.00	<1%
Alcoholism Women's Services	\$ 122,341.00	2.2%
Emergency	\$ 427,881.00	7.7%
Intensive Case Management/LTR	\$ 142,661.00	2.5%
Triage/Respite	\$ 460,664.00	8.3%
Children & Adolescent	\$ 261,323.00	4.7%
CLC	\$ 258,143.00	4.6%
Harbor House	\$ 228,749.00	4.1%
Counseling Services to the Elderly	\$ 34,195.00	<1%
Counseling Services to Latino-Americans	\$ 34,114.00	<1%
Family Services	\$ 205,269.00	3.7%
Services for Seniors	\$ 48,711.00	<1%
CILA	\$ 659,357.00	12%
Children & Adolescent Intervention & Case Management	\$ 136,664.00	2.4%
Inpatient Services	\$ 25,867.00	<1%
Intensive Outpatient	\$ 21,143.00	<1%
Child Advocacy Center	\$ 172,191.00	3.1%
Pathway	\$ 159,899.00	2.9%
Latino Outpatient	\$ 85,268.00	1.5%
Personal Best	\$ 732,108.00	13%

SOURCE (CONT'D.)	AMOUNT (CONT'D.)	% of TOTAL (CONT'D.)
Emergency Psychiatric Services	\$ 37,146.00	<1%
Consortium	\$ 38,837.00	<1%
LAN ISO Project	\$ 44,048.00	<1%
Adastra Day Treatment	\$ 273,124.00	4.9%
Partial Plus	\$ 179,196.00	3.2%
TOTAL EXPENSES	\$5,573,800.00	

Id.

27. A financial statement pertaining to the fiscal year ended June 30, 1996 reveals the following about applicant's sources of revenue for that fiscal year:

SOURCE	AMOUNT	% of TOTAL
Public Support and Revenue		
Contributions	\$ 19,973.00	<1%
United Way	\$ 106,721.00	1.7%
Total Public Support	\$ 126,694.00	2.0%
Fees & Grants from Governmental Agencies	\$4,301,346.00	67%
Other Revenue		
Client Fees	\$ 427,623.00	6.7%
Medicaid	\$ 530,984.00	8.3%
Insurance	\$ 51,950.00	<1%
Medicare	\$ 541,595.00	8.4%
Service Contracts	\$ 337,189.00	5.2%
Rentals	\$ 37,373.00	<1%
Interest	\$ 48,157.00	<1%
Miscellaneous	\$ 9,558.00	<1%
Total Other Revenue	\$1,984,429.00	
TOTAL PUBLIC SUP- PORT & REVENUE	\$6,412,469.00	

Applicant Ex. No. 37

28. The same financial statement reveals the following information about the expenses applicant incurred during the fiscal year ended June 30, 1996:

SOURCE	AMOUNT	% of TOTAL
Program Services		
Sustaining Care	\$ 407,644.00	6.4%
Alcoholism Outpatient	\$ 309,595.00	4.9%
Alcoholism Prevention	\$ 58,490.00	<1%
Alcoholism Women's Services	\$ 101,308.00	1.6%
Alcoholism Women's Service Case Management	\$ 13,053.00	<1%
Emergency	\$ 453,451.00	7.1%
Intensive Case Management/LTR	\$ 167,565.00	2.6%
Triage/Respite	\$ 478,087.00	7.5%
Children & Adolescent	\$ 357,149.00	5.6%
CLC	\$ 285,287.00	4.5%
Harbor House	\$ 244,289.00	3.8%
Counseling Services to the Elderly	\$ 33,158.00	<1%
Counseling Services to Latino-Americans	\$ 33,132.00	<1%
Family Services	\$ 201,791.00	3.1%
Services for Seniors	\$ 49,500.00	<1%
CILA	\$ 691,432.00	11%
Inpatient Services	\$ 22,482.00	<1%
Intensive Outpatient	\$ 35,684.00	<1%
Child Advocacy Center	\$ 184,332.00	2.9%
Pathway	\$ 75,036.00	1.2%
Latino Outpatient	\$ 133,858.00	2.1%
Personal Best	\$ 777,431.00	12.2%
Emergency Psychiatric Services	\$ 54,459.00	<1%
Consortium	\$ 49,296.00	<1%
Adastra	\$ 285,238.00	4.5%
LAN ISO Project	\$ 364,380.00	5.7%
Partial Plus	\$ 447,649.00	7.0%
Cook County Health Department	\$ 33,593.00	<1%
TOTAL EXPENSES	\$6,348,369.00	

Id.

D. Location of the Subject Parcels & Ownership Issues

29. The subject parcels are located at the following addresses and used for the following purposes:

P.I.N.(S)	ADDRESS¹¹	BASIC USE
101-031	170 N. 23 rd Ave, Melrose Park, IL 60160	CILA Home that serves five mentally ill women
108-020	537 N. DesPlaines, Forest Park, IL 60130	CILA Home that serves six mentally ill men
107-004 & 107-005	611. N. 2 nd Ave. Maywood, IL 60153	CILA Home that serves six mentally ill women
148-004	117 S. 6 th Ave. Maywood, IL 60153	CLC that provides residential treatment to male and female wards of the Illinois Department of Mental Health and Developmental Disabilities (Hereinafter "IDMH") ¹²

Dept. Group Ex. No. 1 & Tr. pp. 25-46, 142, 144.

11. For legal descriptions and information about the physical attributes of the subject parcels (floor plans, square footage, etc.) *See*, Dept. Group Ex. No. 1; Applicant Ex. Nos. 13, 14, 18, 19, 20, 21, 24, 26, 27, 30, 31 & 32; Tr. pp. 25-46.

12. IDMH was consolidated into the newly-formed Department of Human Services via an amendment to its enabling statute. This amendment did not become effective until July 1, 1997, (*See*, 20 **ILCS** 1705/1), a date which occurred well after the end of the tax years currently at issue. Therefore, IDMH, rather than the Department of Human Services, shall be treated as the State agency charged with oversight of services to the mentally ill throughout the remainder of this Recommendation. (*See also*, *infra* at p. 30).

30. Applicant acquired ownership of the subject parcels via the following documents:

P.I.N.(S):	INSTRUMENT
101-031	Deed in Trust Pursuant To Trust Agreement Dated January 31, 1991
108-020	Executor's Agreement Dated October 10, 1990
107-004 & 107-005	Warranty Deed Dated December 11, 1990
148-004	Trustee's Deed Dated March 24, 1995

Applicant Ex. Nos. 11, 15, 21 & 27; Tr. pp. 25-26, 31-32, 37-38 & 42-43.

E. The CLC Home

31. The CLC provides short term residential care to IDMH wards, most of whom were referred after being institutionalized at the Madden State Mental Health Facility in Maywood, Illinois. The care lasts no more than one year and is provided to IDMH referrals afflicted with chronic mental illnesses, such as schizophrenia or bipolar disorders. Applicant Group Ex. No. 52, Document A; Tr. pp. 107 - 109, 132-133, 161, 165.
32. Applicant does not require prospective CLC residents to possess any specific financial resources. However, the IDMH certification agreements, under which applicant operates the CLC, mandate that each resident's assets can not exceed \$1,500.00. Applicant Group Ex. No. 52, Doc. A; Tr. pp. 116, 131, 133-134.

33. The certification agreements further provide, *inter alia*, that: (1) each CLC shall provide services to only a certain and limited amount of persons, the number of which is fixed by IDMH; (2) the CLC shall remain open 24 hours a day, 365 days per year; and (3) the CLC must provide services to a well-defined target population, that being those who are: (a) 18 years or older; (b) suffer from a psychiatric disability resulting from a major mental disorder; (c) must be at risk of psychiatric hospitalization or would require a longer psychiatric inpatient stay; (d) be moderately or substantially impaired; and (e) must be motivated, responsive to medication, possess prompt self-preservation abilities and require no nursing care. Applicant Ex. No. 52, Document A.¹³
34. Applicant determines each resident's assessment according to a sliding scale that is based on the resident's income. For example, a client with monthly gross income \$350.00 or less will pay average monthly fees of \$160.00. These fees do not include the day treatment service, charges for which increase the resident's total monthly fee to \$200.00. Applicant Group Ex. No. 52, Document C.¹⁴
35. The certification agreements further provide that all CLC residents must be able to live independently but may be dismissed from the program for violation of applicable house rules. *Id.*
36. Most CLC residents receive Social Security Income (hereinafter "SSI") or Social Security Disability Insurance (hereinafter "SSDI") when they are referred for

13. For other details about the certification agreement, including admission criteria, client eligibility and funding plans, *See*, Applicant Group Ex. No. 52, Doc. A.

14. For the other details about the CLC fee schedule and its associated sliding scale, *See*, Applicant Group Ex. No. 52, Doc. C.

residence. Monthly benefit amounts average approximately \$440.00 per individual. Tr. pp. 131-133, 162.

37. Applicant will not evict or otherwise refuse to service prospective residents who do not receive SSI, SSDI or other governmental benefits. Applicant will, however, help those not receiving such subsidies to apply for and obtain their lawful entitlements. Tr. p. 131.
38. Applicant provides CLC residents with a variety of services including staff to monitor each resident's medications, individual and group therapy sessions, educational groups and instruction in various life skills such as cooking, cleaning and budgeting. Tr. p. 135.
39. CLC residents receive these and other services pursuant to resident service agreements that set forth building rules, program requirements and behavioral expectations. These agreements specifically provide, *inter alia*, that: (1) all assessments shall be paid by the 5th of each month; (2) failure to pay the assessment can result in termination from the CLC; (3) to the extent that the Resident Service Agreement may be construed as creating a tenancy, it is expressly agreed that any tenancy will be a tenancy at will, and that CLC staff acting as applicant's representatives may, without notice, terminate such tenancy; and (4) CLC staff may, in its sole judgement, determine that a resident's further participation in the CLC is not warranted. Applicant Group Ex. No. 52, Doc. D; Tr. pp. 135-136.

40. Those who participate in the CLC program for a minimum of 90 days are eligible for a refund equal to 15% of the total amount paid in monthly assessments at the time they leave the program. Applicant provides this refund in hopes of furnishing the resident with money for a security deposit. However, applicant will grant the refund only if the resident has paid their balance in full and owes no outstanding fees to applicant or the CLC and the resident leaves his or her vacant apartment in a clean, orderly and safe condition. Applicant Group Ex. No. 52, Doc. D. Tr. pp. 140.
41. Applicant deducts any charges for room damages, etc. from any refund that the departing resident might receive. Applicant Group Ex. No. 52, Doc. D.
42. A financial statement discloses that applicant obtained funding for the CLC from the following sources during its 1994 fiscal year:

SOURCE	AMOUNT	% of TOTAL
IDMH Payments ¹⁵	\$208,702.00	79%
Fees Assessed to Clients	\$ 45,287.00	17%
Proviso Township Mental Heath Commission (Hereinafter "PTMC")	\$ 5,000.00	2%
Third Party Reimbursements ¹⁶	\$ 4,167.00	2%
SOURCE (CONT'D.)	AMOUNT (CONT'D.)	% of TOTAL (CONT'D.)
Interest	\$ 1,909.00	1%
Other	\$ 415.00	< 1%
TOTAL	\$265,480.00	

Applicant Ex. No. 57;¹⁷ Tr. pp. 104-110, 149-150.

15. These payments are made pursuant to the certification agreements, details about which may be found in Findings of Fact 32-33, *supra* at pp. 18-19.

16. These reimbursements result from Medicaid, Medicare or private insurance billings. The Medicare reimbursements fund clinical services provided at the CLC or CILA homes through billings to the Medicare Clinic Options for IDMH (which provides the funding in applicant's case) and the Illinois Department of Public Aid. Tr. pp. 149-150.

43. The same financial statement discloses that applicant obtained funding for the CLC from the following sources during its 1995 fiscal year:

SOURCE	AMOUNT	% of TOTAL
IDMH Payments	\$210,424.00	74%
Fees Assessed to Clients	\$ 39,496.00	14%
PTMHC	\$ 5,000.00	2%
Third Party Reimbursements	\$ 25,060.00	9%
Interest	\$ 2,322.00	1%
Other	\$ 225.00	< 1%
TOTAL	\$282,527.00	

Id.

E. The CILA Homes

44. The CILA homes are longer-term residential treatment facilities. They provide 24-hour supervised treatment for persons suffering from major mental illnesses, all of whom have been referred through area nursing homes. Tr. pp. 144, 154-156, 160, 165.
45. The nursing homes make referrals after IDMH selects the prospective CILA residents for placement. The prospective residents may refuse that placement. However, IDMH requires that applicant adhere to a no-decline policy, which means that applicant can not refuse to place an IDMH referral in one of its CILA

17. 1995 is the only assessment year for which applicant is currently seeking exemption for the CLC property, that is parcel 148-008. Applicant Ex. No. 57 contains information pertaining to applicant's 1993, 1994 and 1995 fiscal years. The information pertaining to the 1993 fiscal year may be relevant for background purposes. However, it does not have any direct bearing on the 1995 assessment year, which encompassed various parts of applicant's 1994 and 1995 fiscal years. Therefore, information pertaining to the CLC's sources of revenue during applicant's 1993 fiscal year shall be excluded from this segment of the Recommendation.

homes unless applicant does not have the capacity to provide whatever services the individual may require. Applicant Group Ex. No. 53, Doc. A; Tr. p. 160.

46. All CILA homes provide the same services, except that they do not provide any nursing care that would have been automatically available at the referring nursing homes. Applicant does not provide this care because CILA home residents do not require it. Applicant Group Ex. No. 53, Document A; Tr. p. 156-158.
47. CILA home residents do receive other services from the staff at each facility, whom (among other things) must monitor the residents' medications not less than three times per day. Residents themselves participate in a day treatment program, social groups, individual therapy sessions and weekend activities outside the homes. Applicant Group Ex. No. 53, Document A. Tr. pp. 156, 158.

48. Applicant obtained funding for the CILA homes from the following sources during its 1993 fiscal year:

SOURCE	AMOUNT	% of TOTAL
IDMH Payments	\$518,764.00	80%
Fees Assessed to Clients	\$120,379.00	19%
Third Party Reimbursements	\$ 8,126.00	1%
Interest	\$ 2,251.00	< 1%
Other	\$ 727.00	< 1%
TOTAL	\$650,247.00	

Applicant Ex. No. 57; Tr. pp. 104-110, 114-119, 150.

49. Applicant obtained funding for the CILA homes from the following sources during its 1994 fiscal year:

SOURCE	AMOUNT	% of TOTAL
IDMH Payments	\$540,759.00	78%
Fees Assessed to Clients	\$123,541.00	18%
Third Party Reimbursements	\$ 20,734.00	3%
Interest	\$ 2,579.00	<1%
Other	\$ 2,093.00	<1%
TOTAL	\$689,706.00	

Id.

50. Applicant obtained funding for the CILA homes from the following sources during its 1995 fiscal year:

SOURCE	AMOUNT	% of TOTAL
IDMH Payments	\$547,163.00	78%
Fees Assessed to Clients	\$122,019.00	17%
Third Party Reimbursements	\$ 31,965.00	5%
Interest	\$ 3,130.00	<1%
Other	\$ 803.00	<1%
TOTAL	\$705,080.00	

Id.

51. Applicant receives IDMH payments for the CILA homes pursuant to yearly preferred provider contracts drafted by IDMH. These contracts require applicant to abide by certain well-defined reporting and review requirements. Most of the other terms and conditions are determined according to negotiations but based on IDMH's own plans and needs. Applicant Group Ex. No. 53, Documents A & B; Tr. pp. 103, 106-107, 119-120 134-135.
52. The IDMH payments cover most of the cost of all non-clinical services provided to CLC and CILA residents, all of whom were direct or indirect IDMH referrals during the years in question. Tr. pp. 150, 161.
53. Applicant obtains fees via client agreements which provide, *inter alia*, that: (1) applicant will provide the resident with all necessary care; (2) in exchange for this care, the resident: (a) agrees to cooperate with the terms of his/her individual treatment plan; and (b) further agrees either to make applicant its payee or turn over all income from entitlements¹⁸ and retirement plans upon entering the CILA so that these funds may be used to pay for the resident's care. Applicant Group Ex. No. 52, Document C.
54. The fees cover a small portion of the costs that applicant incurs while providing services to the CLC and CILA residents. While these fees do not cover all operating costs associated with the homes, they do provide partial funding for

¹⁸ These entitlements consist mostly of SSI or SSDI benefits, which range between \$400.00 and \$800.00 per resident per month. Tr. pp. 116-117, 149.

room, board, clothing and other non-clinical services.¹⁹ Tr. p. 103, 116-117, 149, 156.

55. Applicant does not vary the quality or quantity of any services provided at the CILA or CLC homes according to the individual's capacity to pay even though the fees do not permit applicant to recover all of the costs it incurs (employee salaries, materials, etc.) while furnishing such services. *Id.*

CONCLUSIONS OF LAW:

An examination of the record establishes that this applicant has not submitted evidence and argument sufficient to warrant exempting the subject parcels from 1993, 1994 and 1995 real estate taxes. Accordingly, under the reasoning given below, the Department's determinations that said parcels do not satisfy the statutory requirements set forth in 35 ILCS 205/19.7 and 200/15-65 should be affirmed. In support thereof, I make the following conclusions:

Article IX, Section 6 of the Illinois Constitution of 1970 provides as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

The power of the General Assembly granted by the Illinois Constitution operates as a limit on the power of the General Assembly to exempt property from taxation. The General Assembly may not broaden or enlarge the tax exemptions permitted by the Constitution or grant exemptions other than those authorized by the Constitution. Board of Certified Safety Professionals v. Johnson, 112 Ill.2d 542 (1986). Furthermore, Article IX, Section 6 is not a self-

19. For information about how applicant obtains funding for any clinical services

executing provision. Rather, it merely authorizes the General Assembly to confer tax exemptions within the limitations imposed by the Constitution. Locust Grove Cemetery of Philo, Illinois v. Rose, 16 Ill.2d 132 (1959). Moreover, the General Assembly is not constitutionally required to exempt any property from taxation and may place restrictions or limitations on those exemptions it chooses to grant. Village of Oak Park v. Rosewell, 115 Ill. App.3d 497 (1st Dist. 1983).

Pursuant to its Constitutional mandate, the General Assembly enacted the Revenue Act of 1939, 35 ILCS 205/1 *et seq.* and the Property Tax Code, 35 ILCS 200/1 *et seq.* The provisions of those statutes which govern the present proceeding are found in Section 205/19.7 of the Revenue Act of 1939 and Section 200/15-65 of the Property Tax Code.

For present purposes, there is no difference in substance between Sections 205/19.7 and 200/15-65.²⁰ Therefore, I shall cite the latter, which provides in relevant part that:

All property of the following is exempt [from real estate taxation] *when actually and exclusively used for charitable or beneficent purposes*, and not leased or otherwise used with a view to profit:

(a) institutions of public charity

(c) old people's homes, facilities for persons with a developmental disability, and not-for-profit organizations providing services or facilities related to the goals of educational, social and physical development, if, upon making application for the exemption the applicant provides affirmative evidence that the home or facility or organization is an exempt organization under paragraph (3) of Section 501(c) of the Internal Revenue Code [26 U.S.C.A. Section 501] or its successor, and either: (i) the bylaws of the home or facility or not-for-profit organization provide for a waiver or reduction, based on an individual's ability to pay, of any entrance fee, assignment of assets, or fee for services, or, (ii) the home or

provided at the CLC and CILA homes, *See*, footnote 16, *supra* at pp. 21-22.

20. See footnote 1, *supra* at p. 1.

facility is qualified, built, or financed under Section 202 of the National Housing Act of 1959, [12 U.S.C.A. Section 1701 *et seq.*] as amended.

35 ILCS 200/15-65. [Emphasis added].

It is well established in Illinois that a statute exempting property from taxation must be strictly construed against exemption, with all facts construed and debatable questions resolved in favor of taxation. People Ex Rel. Nordland v. the Association of the Winnebago Home for the Aged, 40 Ill.2d 91 (1968), (hereinafter "Nordlund"); Gas Research Institute v. Department of Revenue, 154 Ill. App.3d 430 (1st Dist. 1987). Based on these rules of construction, Illinois courts have placed the burden of proof on the party seeking exemption, and have required such party to prove, by clear and convincing evidence, that it falls within the appropriate statutory exemption. Immanuel Evangelical Lutheran Church of Springfield v. Department of Revenue, 267 Ill. App. 3d 678 (4th Dist. 1994).

Here, the relevant exemption applies to "institutions of public charity." Our courts have long refused to apply this exemption absent suitable evidence that the property in question is owned by an "institution of public charity" and "exclusively used" for purposes which qualify as "charitable" within the meaning of Illinois law. Methodist Old People's Home v. Korzen, 39 Ill.2d 149, 156 (1968) (hereinafter "Korzen"). They have also ascribed to the following definition of "charity[.]" originally articulated in Crerar v. Williams, 145 Ill. 625, 643 (1893):

... a charity is a gift to be applied consistently with existing laws, for the benefit of an indefinite number of persons, persuading them to an educational or religious conviction, for their general welfare - or in some way reducing the burdens of government.

The Illinois Supreme Court has effectuated this definition by observing that all "institutions of public charity" share the following "distinctive characteristics[:]"

- 1) they have no capital stock or shareholders;
- 2) they earn no profits or dividends, but rather, derive their funds mainly from public and private charity and hold such funds in trust for the objects and purposes expressed in their charters;

- 3) they dispense charity to all who need and apply for it;
- 4) they do not provide gain or profit in a private sense to any person connected with it; and,
- 5) they do not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses.

Korzen at 157.

Applicant's first barrier to exemption under the above criteria is that its organizational documents contain no specific reference to charity. On more than one occasion, our courts have indicated that lack of such wording in organizational documents can provide evidence that the applicant is not in fact organized for exempt purposes. Nordlund, *supra*; Albion Ruritan Club v. Department of Revenue, 209 Ill. App.3d 914 (5th Dist. 1991).

More importantly, applicant's fee policy raises numerous doubts as to whether applicant satisfies at least two of the aforementioned criteria for exempt status. Certain features of this policy, such as the sliding scale and not refusing services to those in crisis, are suggestive of charitable operations. Other features, such as the those which provide that a substantial change in a client's financial situation can trigger an increase in fees, are not so suggestive.

Applicant's fee policy also states that sliding scale fees do not apply to *all* services that applicant provides. Thus, persons seeking services in the geriatric day, DUI and/or intensive chemical dependency programs must overcome the "obstacle" of being able to afford full fees before they receive services.

Persons who reside outside of Proviso Township must overcome this same obstacle because they are ineligible for sliding scale fees regardless of what services they seek. Moreover, those who reside in Proviso Township while receiving services but move away during their course of treatment face a similar obstacle because they lose their eligibility for sliding

scale fees. Although applicant attempts to lessen any associated aftereffects by helping these clients find other services and allowing them to continue on the sliding scale rate for a maximum of three sessions, it nevertheless casts doubts on the overall "charitable" nature of its operations by discontinuing the sliding scale thereafter.

This and all other doubts raised by the preceding analysis must be resolved in favor of taxation. (*See, supra* at p. 27). Consequently, I conclude that applicant's fee policy, read as a whole, fails to clearly and convincingly establish that it satisfies the third and fifth prongs of the test articulated in Korzen, which require that applicant "dispense charity to all who need and apply for it" and "not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits it dispenses." Therefore, those Departmental determinations which denied exemption on grounds that the subject properties were not owned by an "institution of public charity" should be affirmed.

Applicant's exemptions from federal income, Illinois Use and other non-related taxes²¹ do not alter the preceding conclusion. These exemptions do not establish that the subject parcels were actually used for exempt purposes during the years in question. People ex rel. County Collector v. Hopedale Medical Foundation, 46 Ill.2d 450 (1970). Furthermore, while the exemption from federal income tax establishes that applicant is an exempt organization for purposes of the relevant Sections of the Internal Revenue Code, these Sections do not preempt Sections 205/19.7, 200/15-65 or any other statutory provisions governing exemptions from real estate taxation in the State of Illinois. Consequently, neither this nor the exemption from State

21. I use the adjective "non-related" to connote the statutory, conceptual and functional differences between the *ad valorem* real estate taxes presently under review and the federal income, State use and other related sales taxes which are not at issue herein even though applicant is exempt therefrom.

Use and related taxes are dispositive of the present inquiries, which focus on whether the subject parcels satisfy the above-stated ownership and use requirements.

The subject parcels also fail to qualify for exemption based on use. Neither the CLC nor the CILA obtain their funds primarily from "public and private charity." Rather, such funds come from preferred provider and other contracts between applicant and IDMH, the State governmental agency charged with oversight of services provided to the mentally ill under 29 ILCS 1705/1 *et seq.*

These contracts result from arm's length negotiations, not acts of voluntary donation. As such, they inherently violate both the "gift" quality of "charity" set forth in Crerar v. Williams, *supra* and the second prong of the test articulated in Korzen, *supra*. Furthermore, if one applies this reasoning to applicant's overall fiscal structure, it becomes apparent that between 66% and 74% of its total revenues for the years in question did *not* come from "public and private charity".

Applicant's contracts with IDMH also violate some of the other definitional criteria and distinctive characteristics set forth above. The contract under which it operates the CLC contains well-defined restrictions, set by IDMH, as to the general population profile and the specific number of clients that applicant may serve. As such, the CLC neither operates for the "benefit of an indefinite number of persons" nor made its services available to *all* "who need and would avail themselves" of the services it provides.

The testimony of Kathleen Gubbins, who is applicant's Director of Residential Services, provides evidence that the above conclusion also applies to the CILA homes. Ms. Gubbins testified that there were no non-IDMH referrals living in the CLC or CILA homes during the years in question. (Tr. pp. 127, 161). Based on this testimony, I conclude that the CILA and CLC homes operated for a limited class of persons during the years in question, that being the one defined by applicant's preferred provider and other contracts with IDMH.

These documents also effectively eliminate applicant's capacity to provide for those who need and would avail themselves of CLC or CILA services but do not fall within the contractually-defined class. Such persons necessarily must overcome the "obstacle" of becoming a member of that class before obtaining CLC or CILA services. Based on this and all the aforesaid reasons, I conclude the subject parcels were not in exempt use during the 1993, 1994 and 1995 tax years.

It also bears noting that other operational features associated with the CLC and CILA homes parallel those found to be "distinctly non-charitable" in the context of nursing homes. For example, in Nordlund, *supra*, the court denied exemption to a nursing home which, among other things, required prospective residents to "be in reasonable health" and assign their social security benefits to the appellant association as a condition of admission. Nordlund at 97, 101. *See also*, Small v. Pangle, 60 Ill.2d 510 (1975), (denying exemption to nursing home that imposed health requirements and required residents to make monthly payment requirements); Friendship Manor of the Branch of King's Daughters and Sons, Inc. v. Department of Revenue, 91 Ill. App.3d 91 (3rd Dist. 1980), (hereinafter "Friendship Manor"), (denying exemption to nursing home that imposed health requirements, imposed a sizeable entrance endowment and required that residents pay monthly charges that varied with the size and location of the accommodations); Plymouth Place, Inc. v. Tully, 54 Ill. App.3d 657 (1st Dist. 1977), (denying exemption to nursing home that required prospective residents to be in good physical condition for their age, pay a substantial Foundation Fee and required prospective residents to submit detailed statements as to their health, financial and personal history as a condition for acceptance).

Neither the CLC nor CILA homes impose the types of entrance fees which the above authorities uniformly held inconsistent with charitable use. Despite this, applicant requires that CILA home residents sign contracts wherein they agree to make applicant their payee or turn over all income from entitlements and retirement plans to applicant in exchange for any services received.

Applicant also requires that CLC residents must be able to live independently and meet other health-related requirements, such as possessing prompt self-preservation capabilities and requiring no nursing care. In addition, it obligates CLC residents to sign service agreements mandating that all assessments must be paid by a date certain and that failure to pay can result in termination from the CLC. To the extent that these and the other aforestated characteristics are similar, if not substantially identical to those set forth in the above cases, I conclude that those Departmental determinations which denied the subject parcels exemption based on lack of exempt use should be affirmed.

Applicant attempts to defeat the preceding analysis by arguing that it removes a burden from the State by providing services that the State would otherwise have to provide itself. It may be true that IDMH is statutorily mandated to oversee the population applicant serves and ensure the well-being thereof. (See, *supra* at p. 30). However, I must reiterate that applicant provides services to this population pursuant to preferred provider and other contracts that resulted from negotiations in the non-exempt commercial marketplace. Hence, applicant's argument is, in all practicality, an assertion that it is relieving the State of a burden merely by doing business with the State.

Our courts have rejected this argument by requiring that applicant's activities benefit the general public rather than a limited class of persons, such as the one that benefits from applicant's preferred provider and other contracts with IDMH.²² As noted above, this contract effectively negates the public benefit requirement because it impairs applicant's capacity to provide for those who need its services but do not fall within the contractually defined class.

24. For additional analysis of the public benefit requirement and its underlying rationale, see, People ex. rel. Brenza v. Turnverein Lincoln, 8 Ill.2d 188, 202-203 (1956); Yale Club of Chicago v. Department of Revenue, 214 Ill. App.3d 468 (1st Dist. 1991); DuPage County Board of Review v. Joint Commission on Accreditation of Healthcare Organizations, 274 Ill. App.3d 461 (2nd Dist. 1995). For further analysis as to how this and other requirements are used to determine charitable status (or lack thereof), see, Korzen, *supra*.

Applicant further posits that the CILA and CLC homes are exempt under the above provisions because applicant is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and adheres to a well-defined fee reduction or fee waiver policy. This argument fails to recognize that the italicized use language which appears in the first paragraph of Section 200/15-65 (the substance of which also appears in the first sentence of Section 205/19.7) applies to *all* subsections contained therein. Thus, in order to effectuate the rules mandating strict statutory construction, and thereby maintain the Constitutional limitations which prohibit the General Assembly from enlarging the class of exempt property beyond that set forth in Article IX, Section 6, I conclude that the CILA and CLC homes cannot be exempted under Sections 205/19.7 and 200/15-65 unless applicant supplements the 501(c)(3) and fee waiver/reduction evidence with appropriate proof of exempt use. See, Korzen, *supra*; Small v. Pangle, *supra*; Friendship Manor, *supra*.

Taken as a whole, the preceding analysis establishes that the subject parcels were not in exempt use during the 1993, 1994 and 1995 tax years. Said analysis further discloses that applicant has failed to clearly and convincingly establish that it qualifies as an "institution of public charity" within the meanings of Sections 205/19.7 and 200/15-65 as those statutes have been interpreted by Korzen and other applicable case law. Therefore, the Department's determinations that denied the subject parcels exemption from 1993, 1994 and 1995 real estate taxes should be affirmed.

WHEREFORE, for all the above-stated reasons, it is my recommendation that Cook County Parcel Index Numbers 15-11-107-004, 15-11-107-005, 15-13-108-020, and 15-10-101-031 not be exempt from 1993 real estate taxes. It is further recommended that these same Parcel Index Numbers not be exempt from 1994 real estate taxes and that Cook County Parcel Index Number 15-11-148-004 not be exempt from 1995 real estate taxes.

June 30, 1998
Date

Alan I. Marcus,
Administrative Law Judge